

**LOUISIANA 4-H FOUNDATION, INC.**

Baton Rouge, Louisiana

**Financial Report****Years Ended June 30, 2011 and 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **SEP 21 2011**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
 Louisiana 4-H Foundation, Inc.  
 Baton Rouge, Louisiana

We have audited the accompanying statements of financial position of the Louisiana 4-H Foundation, Inc. (a nonprofit organization) as of June 30, 2011 and 2010, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana 4-H Foundation, Inc. as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated August 1, 2011, on our consideration of the Louisiana 4-H Foundation, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

**Kolder, Champagne, Slaven & Company, LLC**  
 Certified Public Accountants

Abbeville, Louisiana  
 August 1, 2011

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 AMERICAN INSTITUTE OF  
 CERTIFIED PUBLIC ACCOUNTANTS

Member of:  
 SOCIETY OF LOUISIANA  
 CERTIFIED PUBLIC ACCOUNTANTS

## **FINANCIAL STATEMENTS**

LOUISIANA 4-H FOUNDATION, INC.  
Baton Rouge, Louisiana

Statements of Financial Position  
June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 186,888	\$ 183,565
Receivables	<u>10,688</u>	<u>200</u>
Total current assets	<u>197,576</u>	<u>183,765</u>
Non-current assets:		
Buildings and equipment	2,991	2,991
Accumulated depreciation	<u>(2,714)</u>	<u>(2,116)</u>
Total non-current assets	<u>277</u>	<u>875</u>
Total assets	<u><u>\$ 197,853</u></u>	<u><u>\$ 184,640</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable	\$ 19,297	\$ -
Deferred revenue	<u>5,600</u>	<u>-</u>
Total current liabilities	<u>24,897</u>	<u>-</u>
Net assets:		
Unrestricted	79,921	54,711
Temporarily restricted	<u>93,035</u>	<u>129,929</u>
Total net assets	<u>172,956</u>	<u>184,640</u>
Total liabilities and net assets	<u><u>\$ 197,853</u></u>	<u><u>\$ 184,640</u></u>

The accompanying notes are an integral part of this statement.

LOUISIANA 4-H FOUNDATION, INC.  
Baton Rouge, Louisiana

Statements of Activities  
For The Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Changes in unrestricted net assets:		
Contributions and other -		
General contributions	\$ 65,358	\$ 13,606
Foundation contributions	98,245	93,055
Concessions	44,803	-
Reimbursements	7,476	9,011
Other income	29,390	10,631
Interest income	1,248	1,453
Total contributions	<u>246,520</u>	<u>127,756</u>
Fund raising -		
Golf tournament	32,557	33,315
Ticket sales	8,220	10,069
License plates	-	1,511
Other	6,301	6,357
Total fund raising	<u>47,078</u>	<u>51,252</u>
Net assets released from restrictions:		
Restrictions satisfied by payments	<u>93,672</u>	<u>47,747</u>
Expenses -		
Program services:		
Leadership and Citizenship	177,875	67,055
Supporting services:		
Fundraising expense	46,977	59,218
Management and general	137,208	125,846
Total expenses	<u>362,060</u>	<u>252,119</u>
Increase (decrease) in unrestricted net assets	<u>25,210</u>	<u>(25,364)</u>
Changes in temporarily restricted assets:		
Contributions		
4-H participants assistance	56,778	57,248
Net assets released from restrictions	<u>(93,672)</u>	<u>(47,747)</u>
(Decrease) increase in temporarily restricted assets	<u>(36,894)</u>	<u>9,501</u>
Decrease in net assets	(11,684)	(15,863)
Net assets, beginning	<u>184,640</u>	<u>200,503</u>
Net assets, ending	<u>\$ 172,956</u>	<u>\$ 184,640</u>

The accompanying notes are an integral part of this statement.

LOUISIANA 4-H FOUNDATION, INC.

Baton Rouge, Louisiana

Statement of Functional Expenses

For the Year Ended June 30, 2011

	Program Services	Supporting Services		
	Leadership and Citizenship	Fund Raising	Management and General	Total Expenses
4-H participant events	\$ 65,655	\$ -	\$ -	\$ 65,655
Contributions - LSU foundation	86,708	-	-	86,708
Donor cultivation	-	-	24,827	24,827
Foundation expenses	-	25,094	73,151	98,245
Golf tournament	-	19,450	-	19,450
Meeting expense	-	-	1,854	1,854
Miscellaneous	975	-	131	1,106
Postage and shipping	-	-	4,661	4,661
Printing	-	-	6,641	6,641
Professional fees	-	-	19,035	19,035
Repairs and maintenance	-	-	1,279	1,279
Supplies	24,537	-	5,031	29,568
Ticket sales	-	2,433	-	2,433
	<u>177,875</u>	<u>46,977</u>	<u>136,610</u>	<u>361,462</u>
Total expenses before depreciation	177,875	46,977	136,610	361,462
Depreciation	-	-	598	598
Total	<u>\$ 177,875</u>	<u>\$ 46,977</u>	<u>\$ 137,208</u>	<u>\$ 362,060</u>

The accompanying notes are an integral part of this statement.

LOUISIANA 4-H FOUNDATION, INC.  
Baton Rouge, Louisiana

Statement of Functional Expenses  
For the Year Ended June 30, 2010

	Program Services	Supporting Services		
	Leadership and Citizenship	Fund Raising	Management and General	Total Expenses
4-H participant events	\$ 28,155	\$ -	\$ -	\$ 28,155
Contributions - LSU foundation	19,847	-	-	19,847
Donor cultivation	-	-	6,801	6,801
Donation expense	19,000	-	-	19,000
Foundation expenses	-	27,901	65,154	93,055
Golf tournament	-	20,536	-	20,536
Meeting expense	-	-	14,048	14,048
Miscellaneous	53	3,876	301	4,230
Postage and shipping	-	-	2,258	2,258
Printing	-	-	5,970	5,970
Professional fees	-	-	21,257	21,257
Repairs and maintenance	-	-	6,936	6,936
Supplies	-	-	2,523	2,523
Ticket sales	-	6,905	-	6,905
	<u>67,055</u>	<u>59,218</u>	<u>125,248</u>	<u>251,521</u>
Total expenses before depreciation	67,055	59,218	125,248	251,521
Depreciation	-	-	598	598
Total	<u>\$ 67,055</u>	<u>\$ 59,218</u>	<u>\$ 125,846</u>	<u>\$ 252,119</u>

The accompanying notes are an integral part of this statement.



LOUISIANA 4-H FOUNDATION, INC.  
Baton Rouge, Louisiana

Statements of Cash Flows  
For The Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Change in net assets	<u>\$ (11,684)</u>	<u>\$ (15,863)</u>
Adjustments to reconcile change in net assets to net cash flow from operating activities -		
Depreciation	598	598
(Increase) decrease in operating assets		
Receivables	(10,488)	57,850
Prepaid expenses	-	3,287
Increase (decrease) in operating liabilities		
Accounts payable	19,297	(1,328)
Deferred revenue	<u>5,600</u>	<u>-</u>
Total adjustments	<u>15,007</u>	<u>60,407</u>
Net cash provided by operating activities	3,323	44,544
Cash and cash equivalents, beginning of year	<u>183,565</u>	<u>139,021</u>
Cash and cash equivalents, end of year	<u>\$ 186,888</u>	<u>\$183,565</u>

The accompanying notes are an integral part of this statement.

LOUISIANA 4-H FOUNDATION, INC  
Baton Rouge, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

A. Nature of Activities

The Louisiana 4-H Foundation, Inc. (Foundation) is a non-profit corporation organized under the laws of the State of Louisiana. The Foundation's mission is to secure private funding for the enhancement of the 4-H Youth Development Program. These programs assist the youth of Louisiana to learn leadership, citizenship, and life skills.

B. Statement of Cash Flows

For purposes of the statement of cash flows, the Foundation considers all highly liquid interest-bearing deposits with a maturity of three months or less when purchased to be cash equivalents.

C. Contributions

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated asset, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished; temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value using risk-free discount rates applicable to the years in which the promises are to be received.

D. Income Tax Status

The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. The Foundation is not classified as a private foundation.

LOUISIANA 4-H FOUNDATION, INC.  
Baton Rouge, Louisiana

Notes to Financial Statements (Continued)

E. Donated Services and Materials

A substantial number of volunteers have donated time to the Foundation's program and supporting services. No amounts have been included in the financial statements for the donated services of volunteers because the criteria for recognition of such volunteer effort under FASB ASC 958-605-25 have not been satisfied. Other *donated services and donated materials are stated at their estimated fair value on the date donated.* Donated services and materials for the years ended June 30, 2011 and 2010 was \$-0- and \$-0- respectively.

F. Depreciation

Land, buildings and equipment are valued at cost, or fair market value in the case of donated property. The Foundation maintains a threshold level of \$500 or more for capitalizing capital assets. Depreciable assets are depreciated using the straight-line method over the estimated useful lives of the individual assets as follows:

Furniture and equipment	5 – 7 years
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G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(2) Receivables

The following is a summary of receivables at June 30, 2011 and 2010:

	2011	2010
Concessions	\$ 10,513	\$ -
Individual and corporation contributions	175	-
Other	-	200
	<u>\$ 10,688</u>	<u>\$ 200</u>

LOUISIANA 4-H FOUNDATION, INC.  
Baton Rouge, Louisiana

Notes to Financial Statements (Continued)

(3) Non-Current Assets – Land, Buildings and Equipment

The following is a summary of land, buildings and equipment at June 30, 2011 and 2010:

	2011	2010
Furniture and equipment	\$ 2,991	\$ 2,991
Less: Accumulated depreciation	(2,714)	(2,116)
Net furniture and equipment	<u>\$ 277</u>	<u>\$ 875</u>

Depreciation expense for the years ended June 30, 2011 and 2010 was \$598 and \$598, respectively.

(4) Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purpose:

	2011	2010
Hurricane Relief - Financial aid to 4-H participants affected by Hurricanes Katrina and Rita and for repairs to hurricane damaged assets owned or maintained by 4-H organizations	\$ -	\$ 30,526
4-H Events- Defers the costs incurred by 4-H participants who are being honored at or participating in various 4-H sponsored events.	93,035	99,442
	<u>\$ 93,035</u>	<u>\$ 129,968</u>

(5) Concentration of Credit Risk

The Organization's cash is deposited in one financial institution. Cash accounts at banks are insured by the FDIC for up to \$250,000. Amounts in excess of insured limits were approximately \$-0- and \$-0- at June 30, 2011 and 2010, respectively.

(6) Risk Management

The Louisiana 4-H Foundation, Inc. is exposed to risks of loss in the areas of general liability and property hazards. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year. Insurance settlements did not exceed insurance coverage during 2011 and 2010.

LOUISIANA 4-H FOUNDATION, INC.  
Baton Rouge, Louisiana

Notes to Financial Statements (Continued)

(7) Commitments and Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Louisiana 4-H Foundation, Inc. expects such amounts, if any, to be immaterial. Also, a liability for findings and questioned costs is not established until final disposition of such matters by the funding agency.

(8) Cooperative Endeavor

On May 27, 2008 the Louisiana 4-H Foundation, Inc. entered into a cooperative endeavor with the State of Louisiana. The purpose of this cooperative endeavor is to provide the Louisiana 4-H Foundation, Inc. with \$250,000 from the State of Louisiana's capital outlay funds for improvements to Camp Windywood. All revenues received and expenses incurred during the fiscal year related to this endeavor are recorded in the Statement of Activities.

(9) Donated Facilities

The Louisiana 4-H Foundation, Inc. receives the free use of office space in LSU's facilities. Contributions and expenses related to the donated office space amounting to \$14,600 have been reflected in the accompanying statement of activities.

(10) Subsequent Events

The Foundation has evaluated subsequent events through August 1, 2011, the date which the financial statements were available to be issued.

(11) On Behalf Payments

The Louisiana 4-H Foundation, Inc. has an affiliation agreement with the Louisiana State University (LSU) Foundation wherein the LSU Foundation maintains both endowed and unendowed funds for the Louisiana 4-H Foundation, Inc. These funds are administered, distributed, and accounted for by the LSU Foundation. These funds are distributed, when available, at the request of the Louisiana 4-H Foundation, Inc. to fulfill certain needs of the Louisiana 4-H Foundation, Inc. and provide participants of various 4-H organizations throughout Louisiana with scholarships, after school and summer activities and other events. The distribution of these funds provides an economic benefit to the Louisiana 4-H Foundation, Inc. During the fiscal years ended June 30, 2011 and 2010 on behalf funds distributed were \$333,231 and \$253,718, respectively.

LOUISIANA 4-H FOUNDATION, INC.  
Baton Rouge, Louisiana

Notes to Financial Statements (Continued)

(12) Joint Costs

As described in note (11) above, the Louisiana 4-H Foundation, Inc. (the Foundation) receives on behalf payments from the LSU Foundation. Some of these payments are for the direct benefit of the Foundation to cover materials and supplies for the Foundation and salaries and benefits of the Foundation employees. These costs totaled \$83,645 and are allocated on the statement of functional expenditures as follows: \$58,552 (70%) to management and general expenses and \$25,093 (30%) to fund raising.

## **SUPPLEMENTAL INFORMATION**

**INTERNAL CONTROL,  
COMPLIANCE  
AND  
OTHER MATTERS**



**KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC**  
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Louisiana 4-H Foundation, Inc.  
Baton Rouge, Louisiana

We have audited the financial statements of the Louisiana 4-H Foundation, Inc. (a nonprofit organization) as of and for the years ended June 30, 2011 and 2010 and have issued our report thereon dated August 1, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Louisiana 4-H Foundation, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Louisiana 4-H Foundation, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying schedule of current and prior year audit findings and management's corrective action plan we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the

entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider item 11-1 in the accompanying schedule of current and prior year audit findings and management's corrective action plan to be a material weakness.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as item 11-2 to be a significant deficiency in internal control over financial reporting.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Louisiana 4-H Foundation, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The Louisiana 4-H Foundation, Inc.'s responses to the findings identified in our audit is described in the accompanying schedule of current and prior year audit findings and management's corrective action plan. We did not audit the Louisiana 4-H Foundation, Inc.'s responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Board of Directors, management, others within the Organization and grant awarding agencies. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Abbeville, Louisiana  
August 1, 2011

LOUISIANA 4-H FOUNDATION, INC.  
Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended June 30, 2011

Part I: Current Year Findings and Management's Corrective Action Plan

A. Internal Control Over Financial Reporting

11-1 Inadequate Segregation of Accounting Functions

CONDITION: The Louisiana 4-H Foundation, Inc did not have adequate segregation of functions within the accounting system.

CRITERIA: SAS109, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, AU§314.43 defines internal control as follows:

“Internal control is a process, affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Additionally, Statements on Standards for Attestation Engagements (SSAE) AT§501.03 states:

An entity's internal control over financial reporting includes those policies and procedures that pertain to an entity's ability to record, process, summarize, and report financial data consistent with the assertions embodied in either annual financial statements or interim financial statements, or both.”

CAUSE: The cause of the condition is the fact that the Foundation does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Mr. Eric Eskew, Executive Director, determined that it is not cost effective to achieve complete segregation of duties within the accounting department. No plan is considered necessary.

LOUISIANA 4-H FOUNDATION, INC.  
Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
Year Ended June 30, 2011

11-2 Application of Generally Accepted Accounting Principles (GAAP)

CONDITION: The Louisiana 4-H Foundation, Inc does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.

CRITERIA: SAS 115, *Communicating Internal Control Related Matters Identified in an Audit*, AU§325.05, states, in pertinent part:

“A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A deficiency in design exists when:

- A control necessary to meet the control objectives is missing, or
- An existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met.

A deficiency in operation exists when:

- The person performing the control does not possess the necessary authority or competence to perform the control effectively.”

Furthermore, AU §325.29 identifies the following as a deficiency in the design of (internal) controls:

“Employees or management who lack the qualifications and training to fulfill their assigned functions. For example, in an entity that prepares financial statements in accordance with generally accepted accounting principles, the person responsible for the accounting and reporting function lacks the skills and knowledge to apply generally accepted accounting principles in recording the entity's financial transactions or preparing its financial statements.”

CAUSE: The cause of the condition is the result of a failure to design or implement policies and procedures necessary to achieve adequate internal control.

EFFECT: Financial statements and related supporting transactions may reflect a material departure from generally accepted accounting principles.

RECOMMENDATION: The additional costs required to achieve the desired benefit may not be economically feasible.

LOUISIANA 4-H FOUNDATION, INC.  
Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
Year Ended June 30, 2011

MANAGEMENT'S CORRECTIVE ACTION PLAN: Mr. Eric Eskew, Executive Director has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the Foundation to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

10-1 Inadequate Segregation of Accounting Functions

CONDITION: The Louisiana 4-H Foundation, Inc did not have adequate segregation of functions within the accounting system.

RECOMMENDATION: Based upon the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

CURRENT STATUS: Unresolved. See item 11-1.

10-2 Application of Generally Accepted Accounting Principles (GAAP)

CONDITION: The Louisiana 4-H Foundation, Inc does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.

RECOMMENDATION: The additional costs required to achieve the desired benefit may not be economically feasible.

CURRENT STATUS: Unresolved. See item 11-2.